



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 11.06.1996
COM(96) 261 final

96/0155(CNS)

Proposal for a
COUNCIL REGULATION (EC)
**introducing specific measures for live plants
and floricultural products**

(presented by the Commission)

EXPLANATORY MEMORANDUM

It is proposed that the Council should adopt this proposal for a Regulation establishing specific measures for live plants and floricultural products.

The measures are designed to stimulate the disposal of Community products by stimulating their consumption.

Both the Council and operators from the sector concerned meeting within the Advisory Committee for Live Plants have requested the development of Community promotion measures.

At the moment, promotion measures are being conducted in certain Member States, in particular the Netherlands and Germany, and are financed by contributions from operators in the sector. Although these measures are very useful and effective, they are not adequate because of the high degree of commercial interdependence in the sector, both within the Community and at international level. In this context there is an urgent need to coordinate existing national measures and to supplement them with appropriate measures covering all the Member States.

This measure will be an indirect measure to be financed up to a maximum of 60% from the Community budget.

The estimated cost of this proposal, to be financed by the EAGGF Guarantee Section is ECU 10 million per year.

Proposal for a
COUNCIL REGULATION (EC) No
of
introducing specific measures for live plants
and floricultural products

THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaty establishing the European Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Parliament²,

Whereas the production of live plants and floricultural products is a very important economic activity in a large number of countries of the European Union;

Whereas, following an increase in production within the European Community and growth in imports from third countries, supply of such products is rising fast; whereas consumption should therefore be stimulated;

Whereas there is potential for increasing consumption of Community products both within the Community and abroad, in particular by improving awareness among existing and potential users and by bringing production more closely into line with consumer requirements;

Whereas the various groups working in the sector have a special role to play in implementing measures to encourage consumption;

Whereas a Community financial contribution should be provided for to encourage specific measures to increase consumption; whereas provision should be made for the regular evaluation of the measures financed in order to monitor the achievement of their objectives;

¹ OJ No C

² OJ No C

Whereas the measures thus provided for are intended to stabilize the market in live plants and floricultural products; whereas, therefore, the expenditure arising from Community part-financing thereof should be deemed intervention within the meaning of Article 3 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy³,

HAS ADOPTED THIS REGULATION:

Article 1

The Community may contribute to the financing of measures put forward and implemented by groups representing the sector to promote the consumption of Community live plants and floricultural products falling within CN code 06.

Article 2

1. The measures referred to in Article 1 shall cover advertising and public-awareness measures, including the organization of and participation in fairs and other trade events, both within the Community and abroad.

Where deemed necessary, such measures may be preceded by market studies of consumer attitudes and behaviour and may be accompanied, where appropriate, by the provision of marketing advice to operators in the sector.

2. The measures referred to in Article 1 shall not be designed to promote commercial brands or to favour products from a particular Member State.

³ OJ No L 94, 28.4.1970, p. 13. Regulation last amended by Regulation (EC) No 1287/95 (OJ No L 125, 8.6.1995, p. 1).

Article 3

1. Contributions to the financing of the measures provided for in this Regulation shall be deemed intervention intended to stabilize the agricultural markets within the meaning of Article 3(1) of Regulation (EEC) No 729/70.
2. Such contributions may not exceed 60% of the actual cost of the measures.

Article 4

The measures referred to in Article 1 may be granted Community funding for an period of no more than three years. An evaluation study shall be carried out in the final year. The study shall assess the extent to which the objectives referred to in Article 1 have been achieved and the advisability of pursuing the measure concerned.

Article 5

The measures provided for in this Regulation shall be defined and the rules of application thereof shall be adopted in accordance with the procedure provided for in Article 14 of Council Regulation (EEC) No 234/68 of 27 February 1968 on the establishment of a common organization of the market in live trees and other plants, bulbs, roots and the like, cut flowers and ornamental foliage⁴.

Article 6

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at

For the Council

⁴ OJ No L 55, 2.3.1968, p. 1. Regulation last amended by Regulation (EC) No 3290/94 (OJ No L 349, 31.12.1994, p. 105).

FINANCIAL STATEMENT

Date:

1. BUDGET HEADING: B1-38 (new heading planned for 1997 budget)		APPROPRIATIONS: /			
2. TITLE: Council Regulation introducing specific measures for live plants and floricultural products.					
3. LEGAL BASIS: Article 43 of the Treaty.					
4. AIMS: To promote the consumption of floriculture products.					
5. FINANCIAL IMPLICATIONS:		PERIOD OF 12 MONTHS (ECU million)		CURRENT FINANCIAL YEAR (96) (ECU million)	
5.0. EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION) - NATIONAL AUTHORITIES - OTHER		10		-	
5.1. REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL					
		1998		1999	
		2000		2001	
5.0.1. ESTIMATED EXPENDITURE		10		10	
5.1.1. ESTIMATED REVENUE					
5.2. METHOD OF CALCULATION:					
Foreseeable expenditure: ECU 16.67 million, of which 60% borne by the EAGGF: 10 million, divided as follows:					
<ul style="list-style-type: none"> - Publicity: 6 million - Public relations, fairs, etc.: 3 million - Market studies: 1 million 					
6.0. CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET? YES/NO					
6.1. CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET? YES/NO					
6.2. WILL A SUPPLEMENTARY BUDGET BE NECESSARY? YES/NO					
6.3. WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY? YES/NO					
OBSERVATIONS (*) The purpose of the proposal is to establish the legal basis for a commitment given by the Commission to the Council. Appropriations have not as yet been provided for in the 1997 PDB. The proposal will therefore be implemented provided that appropriations are made available for 1997.					

FINANCIAL STATEMENT

B1-380: Live plants and floricultural products

1. TITLE OF OPERATION

Specific measures for live plants and floricultural products: promotion measures

2. BUDGET HEADING INVOLVED

B1-380

3. LEGAL BASIS

Article 43 of the Treaty

4. DESCRIPTION OF OPERATION

4.1 General objective

To increase consumption of Community products by better informing consumers and by developing closer approximation between production (quality, presentation, packaging) and consumer requirements.

4.2 Period covered and arrangements for renewal or extension

The measures will apply for three-year periods (se Article 4 of the Regulation).

5. CLASSIFICATION OF EXPENDITURE OR REVENUE

5.1 Compulsory expenditure

5.2 Non-differentiated appropriations

6. TYPE OF EXPENDITURE OR REVENUE

- 60% Community financing for joint measures concerning two or more Member States.

7. FINANCIAL IMPACT

7.1 Method of calculating total cost of operation

- (a) Community contribution: 60% of total budget = ECU 10 million; 0.1% of production value, this figure being the average of the percentages calculated for the other agricultural sectors which have a promotion budget.
- (b) Member States contribution = 40% of total budget = ECU 6.67 million.

7.2 Itemized breakdown of cost

in ECU million

Breakdown	1997	1998	1999	2000	2001	TOTAL
(a) Publicity	[6,0] (60%)	6,0	6,0	6,0	6,0	30,0
(b) Public relations, including the organization of and participation in fairs and other trade events	[3,0] (30%)	3,0	3,0	3,0	3,0	15,0
(c) Market studies and advice	[1,0] (10%)	1,0	1,0	1,0	1,0	5,0
TOTAL	p.m.(*)	10,0	10,0	10,0	10,0	50,0

- (*) The purpose of the proposal is to establish the legal basis for a commitment given by the Commission to the Council. Appropriations have not as yet been provided for in the 1997 PDB. The proposal will therefore be implemented provided that appropriations are made available for 1997

8. FRAUD PREVENTION MEASURES; RESULTS OF MEASURES TAKEN

The fraud prevention measures will be laid down in the implementing Regulation which will have to be adopted.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1 Specific and quantifiable objectives; target population

- specific objectives: to encourage consumers to purchase more frequently live plants and floricultural products as presents but also and above all for their own use throughout the year.
- target population: existing and potential consumers of all ages and average income.

9.2 Grounds for the operation

Promotion measures are currently being undertaken in certain Member States, in particular in the Netherlands and in Germany, financed by contributions from operators. Albeit very useful and effective, these are no longer adequate because of the close commercial interdependence of the sector at intra-Community and international levels. It is therefore vital to coordinate existing national measures and to supplement them with appropriate measures covering all Member States.

9.3 Monitoring and evaluation of the operation

Tenders must contain an ex-ante evaluation of the cost-effectiveness of the proposed measures. An evaluation will be carried out during the third year (see Article 4 of the Regulation).

A report evaluating the results obtained must be presented by the contracting party when the balance is requested (conditions to be fixed in the implementing regulation mentioned in point 8).

10. ADMINISTRATIVE EXPENDITURE

p.m.

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DOCUMENTS

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